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CIA HISTORICAL REVIEW PROGRAM
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MEMORANDUM FOR: Chief, WH

SUBJECT : Program and Situation Report - PBSUCCESS, for the Period 9 February through 15 February 1954

I. Operational

A. The following events of operational interest occurred during the reporting period:

1. Calligeris returned to WSHoofs and KmFlush to determine the status of his group vis-a-vis [ ] and his contacts in WSHoofs. Initial indications were that the "white paper" failed to negate his operations and support in those areas.

2. Information received at LINCOLN gave indication that Delgado was offered a sum of money (reportedly $100,000) by the Costa Rican Ambassador to WSHoofs through a mutual friend Rafael Nestor Lencinas, Argentine Charge d'Affaires in WSHoofs. Calligeris is investigating this matter and also the possibility that Lencinas may be involved in a regular Communist "funding" operation.

3. The Guatemalan Ambassador to Cuba Adolph Garcia Montenegro visited Caracas during the period. In his meetings with "high level" Venezuelan officials he made representations to the effect that President Arbenz is "sick of the situation" and is about to break with the Communists. Garcia also inferred that the Army might intervene and bail out Arbenz. There is reason to believe

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that Garcia made his trip with the sanction of Arbenz. Initial reaction at LINCOLN and in WHD was that this trip may have been an effort on the part of Arbenz to negate Calligeris' negotiations with [ ] for military aid.

4. During the week information was received that Ramon Gereda Arturias, the Guatemalan Ambassador to Panama, contacted Domingo Barrios, the Communist labor leader, and requested the Communist Party and the local Communist-controlled union to form movements in support of Guatemala. Gereda's suggestions were rejected because of a fear of retaliation in view of Guatemala's present international reputation. They suggested an alternate plan to create sympathy by sending various cultured, artistic and technical groups to Guatemala from Panama. Indications were that the Communists would covertly support these groups.

5. In Headquarters preparation of material for the OAS Conference continued. A specific follow-up to the Martinez story was sent to Mexico to be planted by LIONIZER. The general tenure of the article was that Martinez did not flee Guatemala, but that he is really engaged in purchase of arms and aircraft. Suggestions for handling the "Toriello" appearance in Caracas were despatched to LINCOLN for consideration and possible action.

6. CWH increased the size of the Headquarters support staff during the week in order to meet the increased requirements placed upon Headquarters by LINCOLN and the field stations.

7. A Chief of Station Conference was held at LINCOLN 12, 13, and 14 February. The purpose of the conference was to brief members of the regional command on the general situation and plan of operation for the immediate future.

II. Administration

A. Status of Logistics requirements

1. All orders have been placed for Kuhook items ordered by PBSUCCESS. Certain exceptions have been noted, however, which will require revision of the schedule for movement of material to [ ] V

(a) Mortars and ammunition due to arrive on or about 20 February in Baltimore will not arrive until 2/3 March because of an unexpected holdover in Sweden.

(b) The "pemmican" ration originally ordered was found to be unsatisfactory under tropical conditions, as well as unobtainable within the stated time. A suitable "pemmican" type ration which meets specifications has been located and final delivery will be made 15 March 1954.

B. Pending Problems

1. The need for additional courier service in Central America has become a matter of top priority. The present courier frequently has to leave pouches behind which contain information vital to PBSUCCESS. Immediate action is necessary at the appropriate level to alleviate the situation.

III. Personnel

A. Several new assignments were made to the PBSUCCESS headquarters component during the week. They were as follows:

1. [ ] - Administrative officer
2. [ ] - Case officer
3. [ ] - Reports officer.

B. [ ] or dway visited LINCOLN the week-end of 12 February to familiarize himself with the regional command organization.

C. Two acute personnel problems face PBSUCCESS at the moment. Efforts have been made to procure persons with the necessary qualifications but to date attempts have been unsuccessful. These requirements are as follows:

1. Safehouse "C" housekeeper

A person to perform this function is considered essention by Headquarters LINCOLN. This house would house approximately six indigenous types under the control of one case officer and it is felt that he cannot act as housekeeper and perform his professional duties.

2. Program director and script writer

This is the position occupied by Guyol. A Mr. David Phillips was requested for this job. Mr. Phillips' status vis-a-vis the Agency has not been clarified as yet. If it appears that Mr. Phillips will not be immediately available, an effort should be made to locate a suitable replacement for him.